



JOHN CHIANG
California State Controller

July 26, 2012

Sherry Kendrick, Ed.D., Superintendent
Yucaipa-Calimesa Joint Unified School District
12797 Third Street
Yucaipa, CA 92399

Dear Ms. Kendrick:

The State Controller's Office reviewed the costs claimed by Yucaipa-Calimesa Joint Unified School District for the legislatively mandated Standardized Testing and Reporting Program (Chapter 828, Statutes of 1997) for the period of July 1, 1997, through June 30, 2002. Our review was limited to ensuring that the California Department of Education Standardized Testing and Reporting Program apportionment was properly offset.

The district claimed \$358,787 for the mandated program. Our review disclosed that \$247,075 is allowable and \$111,712 is unallowable. The costs are unallowable because the district understated offsetting reimbursements, as described in the attached Summary of Program Costs and Finding and Recommendation.

For the fiscal year (FY) 1997-98 claim, the State paid the district \$9,245. Our review disclosed that \$16,108 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$6,863, contingent upon available appropriations.

For the FY 1998-99 claim, the State paid the district \$65,492. Our review disclosed that \$29,013 is allowable. The State will apply \$36,479 against any balances of unpaid mandated program claims due the district as of October 19, 2010. Alternatively, the district may remit this amount to the State.

For the FY 1999-2000 claim, the State paid the district \$97,671. Our review disclosed that \$87,630 is allowable. The State will apply \$10,041 against any balances of unpaid mandated program claims due the district as of October 19, 2010. Alternatively, the district may remit this amount to the State.

For the FY 2000-01 claim, the State paid the district \$59,680. Our review disclosed that \$49,047 is allowable. The State will apply \$10,633 against any balances of unpaid mandated program claims due the district as of October 19, 2010. Alternatively, the district may remit this amount to the State.

For the FY 2001-02 claim, the State made no payment to the district. Our review disclosed that \$65,277 is allowable. The State will pay that amount, contingent upon available appropriations.

We discussed the review results with George Velarde, Assistant Superintendent of Business Services, via e-mail on July 9, 2012.

If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCForm.pdf.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/sk

Attachments

RE: S12-MCC-932

cc: George Velarde, Assistant Superintendent of Business Services
Yucaipa-Calimesa Joint Unified School District
Tina Nelson, Coordinator of Fiscal Services
Yucaipa-Calimesa Joint Unified School District
Gary Thomas, Ed.D., County Superintendent of Schools
San Bernardino County Office of Education
Scott Hannan, Director, School Fiscal Services Division
California Department of Education
Carol Bingham, Director, Fiscal Policy Division
California Department of Education
Thomas Todd, Principal Program Budget Analyst
Education Systems Unit, Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

Attachment 1— Summary of Program Costs July 1, 1997, through June 30, 2002

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1997, through June 30, 1998</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 4,191	\$ 4,191	\$ —
Test materials, supplies, and equipment	293	293	—
Pre-test and post-test coordination	36,446	36,446	—
Test administration	128	128	—
Reporting and recordkeeping	9,417	9,417	—
Total salaries and benefits	50,475	50,475	—
Materials and supplies:			
Training, policies, and procedures	2	2	—
Test materials, supplies, and equipment	3,465	3,465	—
Pretest and post-test coordination	2,329	2,329	—
Total materials and supplies	5,796	5,796	—
Travel and training:			
Training, policies, and procedures	12	12	—
Total travel and training	12	12	—
Total direct costs	56,283	56,283	—
Indirect costs	3,090	3,090	—
Total direct and indirect costs	59,373	59,373	—
Less offsetting reimbursements	—	(43,265)	(43,265)
Total program cost	\$ 59,373	16,108	\$ (43,265)
Less amount paid by the State ²		(9,245)	
Allowable costs claimed in excess of (less than) amount paid		\$ 6,863	
<u>July 1, 1998, through June 30, 1999</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 4,368	\$ 4,368	\$ —
Test materials, supplies, and equipment	255	255	—
Pre-test and post-test coordination	36,282	36,282	—
Test administration	349	349	—
Reporting and recordkeeping	9,552	9,552	—
Total salaries and benefits	50,806	50,806	—
Materials and supplies:			
Training, policies, and procedures	2	2	—
Test materials, supplies, and equipment	6,086	6,086	—
Pretest and post-test coordination	5,178	5,178	—
Total materials and supplies	11,266	11,266	—

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1998, through June 30, 1999 (continued)</u>			
Travel and training:			
Training, policies, and procedures	12	12	—
Total travel and training	12	12	—
Total direct costs	62,084	62,084	—
Indirect costs	3,408	3,408	—
Total direct and indirect costs	65,492	65,492	—
Less offsetting reimbursements	—	(36,479)	(36,479)
Total program cost	<u>\$ 65,492</u>	29,013	<u>\$ (36,479)</u>
Less amount paid by the State ²		(65,492)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (36,479)</u>	
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 4,413	\$ 4,413	\$ —
Test materials, supplies, and equipment	240	240	—
Pre-test and post-test coordination	36,990	36,990	—
Test administration	357	357	—
Reporting and recordkeeping	9,878	9,878	—
Total salaries and benefits	51,878	51,878	—
Materials and supplies:			
Training, policies, and procedures	2	2	—
Test materials, supplies, and equipment	37,734	37,734	—
Pretest and post-test coordination	2,962	2,962	—
Total materials and supplies	40,698	40,698	—
Travel and training:			
Training, policies, and procedures	12	12	—
Total travel and training	12	12	—
Total direct costs	92,588	92,588	—
Indirect costs	5,083	5,083	—
Total direct and indirect costs	97,671	97,671	—
Less offsetting reimbursements	—	(10,041)	(10,041)
Total program cost	<u>\$ 97,671</u>	87,630	<u>\$ (10,041)</u>
Less amount paid by the State ²		(97,671)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (10,041)</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 4,805	\$ 4,805	\$ —
Test materials, supplies, and equipment	292	292	—
Pre-test and post-test coordination	38,075	38,075	—
Test administration	183	183	—
Reporting and recordkeeping	10,377	10,377	—
Total salaries and benefits	53,732	53,732	—
Materials and supplies:			
Training, policies, and procedures	2	2	—
Pretest and post-test coordination	2,968	2,968	—
Total materials and supplies	2,970	2,970	—
Travel and training:			
Training, policies, and procedures	12	12	—
Total travel and training	12	12	—
Total direct costs	56,714	56,714	—
Indirect costs	2,966	2,966	—
Total direct and indirect costs	59,680	59,680	—
Less offsetting reimbursements	—	(10,633)	(10,633)
Total program cost	\$ 59,680	49,047	\$ (10,633)
Less amount paid by the State ²		(59,680)	
Allowable costs claimed in excess of (less than) amount paid		\$ (10,633)	
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 5,355	\$ 5,355	\$ —
Test materials, supplies, and equipment	471	471	—
Pre-test and post-test coordination	53,655	53,655	—
Test administration	188	188	—
Reporting and recordkeeping	13,023	13,023	—
Total salaries and benefits	72,692	72,692	—
Materials and supplies:			
Training, policies, and procedures	2	2	—
Pretest and post-test coordination	59	59	—
Total materials and supplies	61	61	—
Travel and training:			
Training, policies, and procedures	12	12	—
Total travel and training	12	12	—

Attachment 1 (continued)

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Review</u>	<u>Review Adjustment ¹</u>
<u>July 1, 2001, through June 30, 2002 (continued)</u>			
Total direct costs	72,765	72,765	—
Indirect costs	3,806	3,806	—
Total direct and indirect costs	76,571	76,571	—
Less offsetting reimbursements	—	(11,294)	(11,294)
Total program cost	<u>\$ 76,571</u>	65,277	<u>\$ (11,294)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 65,277</u>	
<u>Summary: July 1, 1997 through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 23,132	\$ 23,132	\$ —
Test materials, supplies, and equipment	1,551	1,551	—
Pretest and post-test coordination	201,448	201,448	—
Test administration	1,205	1,205	—
Reporting and recordkeeping	52,247	52,247	—
Total salaries and benefits	279,583	279,583	—
Materials and supplies:			
Training, policies, and procedures	10	10	—
Test materials, supplies, and equipment	47,285	47,285	—
Pretest and post-test coordination	13,496	13,496	—
Total materials and supplies	60,791	60,791	—
Travel and training:			
Training, policies, and procedures	60	60	—
Total travel and training	60	60	—
Total direct costs	340,434	340,434	—
Indirect costs	18,353	18,353	—
Total direct and indirect costs	358,787	358,787	—
Less offsetting reimbursements	—	(111,712)	(111,712)
Total program cost	<u>\$ 358,787</u>	247,075	<u>\$ (111,712)</u>
Less amount paid by the State ²		(232,088)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 14,987</u>	

¹ See Attachment 2, Finding and Recommendation.

² Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

Attachment 2— Finding and Recommendation July 1, 1997, through June 30, 2002

FINDING— Understated offsetting reimbursements

The district understated offsetting reimbursements by \$111,712 because it did not report any of the Standardized Testing and Reporting Program (STAR) apportionments received from the California Department of Education (CDE) for the review period.

The parameters and guidelines (section VII) state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, including but not limited to, services fees collected, federal funds and other state funds shall be identified and deducted from the claim.

Education Code section 60640, subdivision (h)(1), specifies that the State Superintendent of Public Instruction shall apportion funds to school districts to enable them to administer the tests within the STAR Program. For the review period, we determined that the district received \$145,997 from the CDE.

We determined the amount that should have been offset by multiplying the total CDE apportionment by the reimbursable mandate percentages based on test results published on the CDE STAR website. The district administered the following STAR tests during the review period: (1) California Standards Tests (CST); (2) Stanford Achievement Test, Ninth Edition (SAT-9); and (3) Spanish Assessment of Basic Education, Second Edition (SABE/2). The CST test is not reimbursable because it was not pled in the test claim that created this mandate.

Based on the CDE's published test results, the reimbursable mandate percentages are as follows: 100% for FY 1997-98, 68.86% for FY 1998-99, 68.96% for FY 1999-2000, 61.10% for FY 2000-01, and 63.48% for FY 2001-02.

The following table summarizes the understated offsetting reimbursements for the review period:

	Fiscal Year					Total
	1997-98	1998-99	1999-2000	2000-01	2001-02	
STAR Program apportionments:						
CDE apportionment	\$ (43,265)	\$ (52,976)	\$ (14,561)	\$ (17,403)	\$ (17,792)	\$ (145,997)
Mandate-related percentage	× 100%	× 68.86%	× 68.96%	× 61.10%	× 63.48%	
Mandate-related apportionment	(43,265)	(36,479)	(10,041)	(10,633)	(11,294)	(111,712)
Less offset CDE apportionment	—	—	—	—	—	—
Review adjustment	\$ (43,265)	\$ (36,479)	\$ (10,041)	\$ (10,633)	\$ (11,294)	\$ (111,712)

Recommendation

We recommend that the district ensure that all applicable reimbursements are offset against mandated program costs.